

**STATE OF HAWAII**  
**REQUEST FOR EXEMPTION FROM CHAPTER 103F, HRS**

TO: Chief Procurement Officer  
FROM: DHS/BESSD/FAP(LIHEAP)  
(Department/Division/Agency)

Pursuant to § 103F-101(a)(4), HRS, and Chapter 3-141, HAR, the Department requests a procurement exemption to purchase the following:

Description of health and human services:
Processing of applications, performing outreach and record-keeping in order to implement the Low-Income Home Energy Assistance Program (LIHEAP) for the Department of Human Services for federal fiscal year 2003.

Name of Service Provider		Cost:	Term of Contract:
Honolulu Community Action Program (HCAP)	\$52,393	\$95,260	From: 06/01/03  To: 08/31/03
Hawaii County Economic Opportunity Council (HCEOC)	\$27,625		
Maui Economic Opportunity Council (MEO)	\$9,526		
Kauai Economic Opportunity Council (KEO)	\$5,716		
Note: Administrative cost total of \$95,260 is based on 5% of total federal allocation for FFY 2003; funds are apportioned each year to each agency for their county of coverage based on the percentage of households assisted in the prior LIHEAP program year. For FFY 2002, percentages served were: HCAP for Oahu, 56%; HCOEC for Hawaii, 30%; MEO for Maui county, 8%, and KEO for Kauai 6%.			

Explanation describing how procurement by competitive means is either not practicable or not advantageous to the State:
Competitive procurement would result in non-compliance for federal funding purposes. Public Law 97-35 and 98-558 states that for state grantees to receive LIHEAP funds, the Governor must assure that special consideration be given to any local public or private nonprofit agency in their state which 1) was receiving federal funds under any low-income energy assistance or weatherization program under the Economic Opportunity Act of 1964, and 2) has the capacity to undertake a timely and effective energy crisis intervention program and the ability to carry out the program in the local community. No other agencies other than those listed above meet a single requirement, much less both. Since the start of LIHEAP in Hawaii in 1980, these agencies are the only agencies which have implemented the program for the Department on a continuing basis because they have been approved at both state and federal levels. Attached are copies of prior memoranda to CPO regarding LIHEAP.

Details of the process or procedure to be followed in selecting the service provider to ensure maximum fair and open competition as practicable:
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All providers within the state were looked at to ensure none is adversely affected or wrongly denied participation. HCAP, HCEOC, MEO, and KEO are community action agencies (CAPS) formed in 1964 in the Governor's office and the Health and Community Services Council. These are the only agencies in Hawaii established under the Economic Opportunity Act of 1964. They were the original operators of the low-income energy assistance program from that program's inception in 1980 until the Governor assigned LIHEAP administration to the Department of Human Services circa 1982. These four agencies are also the only agencies in Hawaii that have operated, and continue to operate to this day, the federal weatherization program. In addition to LIHEAP and weatherization, they implement, for the State, other Community Services Block Grant programs, such as Headstart, as well as the food distribution program for the State. They are the most effective in providing service to their communities and outreaching to potential LIHEAP eligibles because of their grass-roots organization established over 35 years ago (see past News Releases).
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A description of the state agency's internal controls and approval requirements for the exempted procurement:

A Memorandum of Agreement is established between the Department and each community action agency. Training of CAP staff and monitoring of its performance is conducted by the LIHEAP State Coordinator who is an employee of the Department of Human Services. Reviews and additional controls are established by having the publicly regulated utility companies check and compare every record submitted by the CAP against utility company data. The Department designs and provides the computer programs given to each CAP and establishes procedures by which each agency must document its records, including controls designed to check for duplication and to flag inconsistent data or unusual activity. The Department intakes all data into the State database and monitors for waste, fraud and abuse. The Department gathers and validates federally required information for congressionally required and other mandatory and scheduled federal reports. CAP agencies are limited to processing applications and submitting records to the State, which reviews each record for appropriateness of processing. The Department, and not the CAP agencies, processes all payments to eligible households. Payments are processed through the State's fiscal operations, DAGS and FAMIS. No direct funds are issued or administered by the CAPS. Important and necessary procedures (consistent application processing, uniformity of policy application, appropriate response to applicants and recipients, confidentiality, fair hearing and appeals activities, follow-up, etc.) are built into training, monitoring, and case review activities and issued to the agencies by the Department.

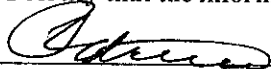
A list of state agency personnel, by position title, who will be involved in the approval process and administration of the contract:

Patricia Williams, LIHEAP State Coordinator  
Kris Foster, Financial Assistance Program Administrator  
Patricia Murakami, Benefit and Employment Support Services Division Administrator

Direct questions to:	Phone Number:
Patricia Williams	Prior P.E.H approval 02-09 586-5734

This exemption should be considered for list of exemptions attached to Chapter 3-141, HAR: Yes ☒ No ☐

I certify that the information provided above is to the best of my knowledge, true and correct.

 5/5/03  
Department/Agency Head Date


Chief Procurement Officer's Comments:

Note that pursuant to section 3-141-503(b)(1) if the procedures required by Chapter 103F, HRS or its administrative rules conflict with the conditions imposed by the source of federal funds, the procurement is exempt.

Please ensure adherence to applicable administrative requirements

☒ Approved ☐ Denied

cc: Administrator  
\* State Procurement Office

 5/12/03  
Chief Procurement Officer Date

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organization or other entity to be eligible for  
selection for a fiscal year, it shall submit to  
levy of being under the State's plan) for such  
such criteria as the Secretary may by

up to 10 percent of its allotment under this  
for its use for such fiscal year under other  
providing block grants for—  
titles under subtitle B of title VI (relating to  
block grant program);  
titles under title XX of the Social Security

## CTIONS AND REQUIREMENTS

1 of the first fiscal year for which a State title, no funds shall be allotted to such State this title unless such State conducts public he proposed use and distribution of funds to e for such fiscal year.

available under this title for the purposes 602(a) and otherwise in accordance with the title, and agrees not to use such funds for than payments specified in this subsection; s under this title only with respect to— s in which 1 or more individuals are

families with dependent children under the approved under part A of title IV of the city Act (other than such aid in the form of a accordance with section 403 of such Act;

(10) supplemental security income payments under title XVI of the Social Security Act;

(iii) food stamps under the Food Stamp Act of 1977; or  
(iv) payments under section 415, 521, 541, or 542 of title 38, United States Code, or under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978.

(D) an amount equal to 150 percent of the poverty level for such State; or

(ii) an amount equal to 60 percent of the State median income;

(3) conduct outreach activities designed to assure that eligible households, especially households with elderly individuals or handicapped individuals, or both, are made aware of the assistance available under this title, and any similar energy-related assistance available under subtitle B of title VI (relating to community services block grant program) or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964 before the date of the enactment of this Act;

(4) coordinate its activities under this title with similar and related programs administered by the Federal Government and such State, particularly low-income energy-related programs under subtitle B of title VI (relating to community services block grant program), under the supplemental security income program, under part A of title IV of the Social Security Act, under title XX of the Social Security Act, under the low-income weatherization assistance program under title IV of the Energy Conservation and Production Act, or under any other provision of law which carries out programs which were administered under the Economic Opportunity Act of 1964, before the date of the enactment of this Act;

(5) provide, in a manner consistent with the efficient and timely payment of benefits, that the highest level of assistance will be furnished to those households which have the lowest incomes and the highest energy costs in relation to income, taking into account family size.

(6) to the extent it is necessary to designate local administrative agencies in order to carry out the purposes of this title, give special consideration, in the designation of such agencies, to any local public or private nonprofit agency which was receiving Federal funds under any low-income energy assistance program of weatherization program under the Economic Opportunity Act of 1964 or any other provision of law on the day before the date of the enactment of this Act, except that—

(A) the State shall, before giving such special consideration, determine that the agency involved meets program and fiscal requirements established by the State; and

(B) If there is no such agency because of any change in the assistance furnished to programs for economically disadvantaged persons, then the State shall give special consideration in the designation of local administrative agencies to any successor agency which is operated in substantially the same manner as the predecessor agency which did receive funds for the fiscal year preceding the fiscal year for which the determination is made;

02-09